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Maoye International Holdings Limited

茂業國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 848)

INSIDE INFORMATION

PROFIT WARNING

This announcement is made by Maoye International Holdings Limited (the “Company”, together with its subsidiaries, collectively the “Group”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the current unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “Year 2023”) and information currently available to the Board, the Group is expected to record a net loss for the Year 2023 of approximately RMB60 million to RMB130 million. Without taking into account the impact on net profit of impairment loss from investments in associates of approximately RMB150 million (after-tax), the Group is expected to record a net profit of approximately RMB20 million to RMB90 million. The net profit for the year ended 31 December 2022 (the “Year 2022”) was RMB205.2 million. The expected net loss of the Group for the Year 2023 was mainly attributable to the following factors:

(i) Impact of provision for impairment loss from investments in associates

Shenzhen Ugo E-commerce Co., Ltd. (深圳優依購電子商務股份有限公司) (“Ugo E-commerce”) is an associate of the Group. Shenzhen Ugo Interactive Technology Co., Ltd. (深圳優依購互娛科技有限公司) (“Ugo Interactive”), a company in which Ugo E-commerce holds shares, was involved in an equity dispute among its shareholders. As a result, Mr. Cheng Rong, the chairman of Ugo E-commerce and the legal representative of Ugo Interactive, and Mr. Xu Kai, the legal representative of Ugo E-commerce were included in the list of dishonest

persons. Since Mr. Cheng Rong is the guarantor under bank loans advanced to Ugo E-commerce and Ugo Interactive, Ugo E-commerce was subject to enforcement measures by the banks, suppliers, logistics companies and sales platforms; bank accounts were frozen and online products were taken off the shelves. The relevant business operations were suspended and cannot be run normally. Upon learning the above circumstances, the Board and the management of the Company attached great importance to the matter and have paid intensive attention to the resolution by Ugo E-commerce. Up to now, a substantive resolution is still outstanding, and Ugo E-commerce is temporarily in a state of suspension from work and operation.

Currently, the operational conditions of the Group remain normal. The operation and financial management of Ugo E-commerce are completely independent from the Group and Ugo E-commerce has no financial transactions with the Group. The above matters will not have any material impact on the daily operation and the cash flow of the Group.

In view of the changes in the operational conditions of Ugo E-commerce, in order to reflect the financial position and asset value of the Company more objectively and fairly, taking into account the actual operational conditions of the Company, and based on the principle of prudence, the Company has conducted a preliminary impairment exercise of the investments in its associate Ugo E-commerce, and has estimated the provision for impairment losses to be approximately RMB190 million (before-tax). The ultimate amount of impairment losses would be ascertained following the valuation carried out by the professional valuation institution and the audit carried out by the auditor of the Company.

(ii) Effect of the relocation transaction of North Railway Station

As a result of the land and buildings of the Company situated on No.2, Gongjiao Road, North Railway Station, Jinniu District, Chengdu, Sichuan Province, China being subject to relocation, the Company recognized gains of approximately RMB79 million on the relocation transaction for the Year 2023, which is a decrease from the gains of RMB337 million on the relocation transaction recognized for the Year 2022.

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to it and such information has not been audited or reviewed by the Company's auditors. The Company is in the process of finalizing the audited consolidated results of the Group for the Year 2023. Shareholders and potential investors are advised to read the Group's annual results announcement for the Year 2023, which is expected to be published by end of March 2024.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Maoye International
Hong Kong, 7 February 2024

Holdings Limited Mr. Huang Mao Ru
Chairman

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Huang Mao Ru, Ms. Lu Xiaojuan and Mr. Tang Haifeng; one non-executive director, namely Mr. Tony Huang; and three independent non-executive directors, namely, Mr. Rao Yong, Mr. Pao Ping Wing and Mr. Gao Yajun.